GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3887
ANSWERED ON:17.08.2001
TAX REBATE FOR LIC POLICY HOLDERS
ASHOK KUMAR PATEL;RAMPAL SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to provide tax rebate to the Life Insurance Policy holders in order to cover maximum number of persons under the insurance network;

(b) if so, the details thereof; and

(c) the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHNADRAN)

(a) Tax rebate to policy holders of life insurance is already available under sec.88 of the Income-tax Act. By the Finance Act of 2001, the scope of such rebate was extended to persons obtaining life insurance from private insurers recognized by Insurance Regulatory and Development Authority as well.

(b) Tax rebate of an amount equal to 20% of their contribution as premia is allowed, subject to an overall ceiling of Rs.12,000/- of tax.

(c) Does not arise in view of (a) and (b) above.